Capital subsidy to private sector for rural electrification

1563. SHRI S. P. M. SYED KHAN: Will the Minister of POWER be pleased to state:

<a) whether Government propose to provide substantial capital subsidy and other finances to the private sector in the area of rural electrification after revising the National Electricity Policy;

(b) the projected benefits of this proposal; and

(c) the details regarding the safeguards put in place by Government for its capital subsidy to the private sector?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) to (c) As per existing guidelines for rural electrification programme of one lakh villages and one crore households, about 40% of the capital cost could be given as subsidy to Rural Electricity Provider. Panchayats, Co-operatives, NGOs, Users Associations, Franchisees, State/Regional utility or any individual/ 1 entity can become Rural Electricity Provider.

These guidelines have been issued to give boost to rural electrification in the country.

However, in order to avail of capital subsidy Rural Electricity Provider must ensure active participation of beneficiaries through Panchayat Raj Institutions, Consumers Co-operatives/associations, NGOs etc. Further the subsidy would be linked to sustained delivery of electricity to the targeted beneficiaries.

Additional power to Karnataka from Eastern Region

1564. DR. VIJAY MALLYA: Will the Minister of POWER be pleased to state:

(a) whether the State Government of Karnataka had requested for additional allocation of power to the extent of 337 MW from Eastern region to offset the high cost of power generated by liquid fuel as was done in the case of Kerala and Tamil Nadu;

(b) the reaction of Government to the proposal; and

(c) by when the formal approval to the proposal is expected?

---

†Original notice of the question was received in Hindi.

THE MINISTER OF POWER (SHRI P.M. SAYEED) (a) to (c) Kayamkulam Combined Cycle Power Project (KCCPP) of 360 MW capacity has been installed by NTPC originally fully dedicated to Kerala. As Kerala could not utilize the full capacity of the power station due to high cost of power, the issue was discussed in a meeting of Power Ministers of Southern Region in May, 2002. As decided, 90 MW from KCCPP was offered each to Tamil Nadu and Kamataka along with 90 MW power from unallocated quota of NTPC stations in Eastern Region in order to make the cost of the blended power to about Rs. 2.50 per unit. However, Kamataka Power Corporation Ltd. (KPCL) declined to avail 90 MW from KCCPP. Accordingly, the entire 180 MW power has been allocated to Tamil Nadu along with 180 MW power of Eastern Region. Such dispensation was made~for better utilization of Kayamkulam capacity. Moreover, availability of unallocated power in the Eastern Region is limited and is being presently allocated to needy States to mitigate the shortages. Thus, additional allocation of power from Eastern Region to offset the high cost of power generated by private Projects (IPPs) in Kamataka is not practicable.

Action Plan to Improve T&D System

t1565. SHRI RAJ MOHINDER SINGH: Will the Minister of POWER be pleased to state:

(a) whether Government have formulated any action plan during Tenth Five Year Plan period to improve transmission and distribution system in the country;

(b) if so, the details thereof; and

(c) the percentage of T&D losses targeted to be reduced during Tenth Plan period?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (b) Yes, Sir. To improve transmission of Power Grid Corporation of India Ltd. has planned investment of Rs. 21,370 crores during Tenth Five Year Plan for implementing various transmission schemes associated with generation projects and system strengthening in the country.

The Government is also implementing Accelerated Power Development

†Original notice of the question was received in Hindi.